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*Counsel to Urban Edge Properties LP
and its subsidiaries*

On Behalf of Various Landlords Represented By:
Allen Matkins Leck Gamble Mallory & Natsis LLP, Kelley Drye & Warren LLP
Ballard Spahr LLP, Frost Brown Todd LLC, Barclay Damon LLP,
Goulston & Storrs PC, Latham & Watkins, LLP and Goodwin Procter LLP

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

**SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹**

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

**OBJECTION OF VARIOUS LANDLORDS TO NOTICES OF FILING OF REVISED
PROPOSED ORDER (I) APPROVING THE ASSET PURCHASE AGREEMENT
AMONG SELLERS AND BUYER, (II) AUTHORIZING THE SALE OF CERTAIN OF
THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND
ENCUMBRANCES, (III) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS, AND LEASES IN CONNECTION
THEREWITH AND (IV) GRANTING RELATED RELIEF**

The landlords described herein (the “Landlords”), by and through their respective counsel, hereby file this objection (the “Objection”) to the *Notice of Filing Revised Proposed Order (I) Approving the Asset Purchase Agreement Among Sellers and Buyer (II) Authorizing the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith and (IV) Granting Related Relief* [Docket No. 2332] (the “First Revised Proposed Sale Order”) and the *Notice of Filing Second Revised Proposed Order (I) Approving the Asset Purchase Agreement Among Sellers and Buyer (II) Authorizing the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith and (IV) Granting Related Relief* [Docket No. 2378] (the “Second Revised Proposed Sale Order”). In support of this Objection, the Landlords state as follows:

BACKGROUND

1. On February 1, 2019, the Debtors filed the First Revised Proposed Sale Order.
2. On February 3, 2019 at approximately 6:45 p.m. (Eastern Time), various Landlords—who are represented, respectively, by Allen Matkins Leck Gamble Mallory & Natsis LLP, Kelley Drye & Warren LLP, Ballard Spahr LLP, Frost Brown Todd LLC, Barclay Damon LLP, Goulston & Storrs PC, Latham & Watkins, LLP and Goodwin Procter LLP—in an

effort to streamline the Landlords' comments to the First Revised Proposed Sale Order, sent to the Debtors' counsel and to ESL's counsel a revised proposed sale order incorporating the Landlords' collective proposed edits (the "Landlord Proposed Sale Order"). Attached hereto as **Exhibit A** is redline of the Landlord Proposed Sale Order reflecting changes made to the First Revised Proposed Sale Order.

3. As of the time of the filing of this Objection, neither the Debtors' counsel nor ESL's counsel have responded to the Landlords' proposed edits.

4. On February 3, 2019 at approximately 11:50 p.m. (Eastern Time), the Debtors filed the Second Revised Proposed Sale Order. The Second Revised Proposed Sale Order does not incorporate any of the Landlords' proposed edits set forth in the Landlord Proposed Sale Order.

RESERVATION OF RIGHTS

5. The Landlords expressly reserves the right to amend, supplement, and/or modify this Objection and to file in the future additional appropriate pleadings.

CONCLUSION

WHEREFORE, the Landlords respectfully request that the Court (i) if the Court approves the proposed sale of substantially all of the Debtors' business and assets to the Buyer, any order approving the sale incorporate the changes outlined in the Landlord Proposed Sale Order and (ii) grant to the Landlords such other and further relief as is just and appropriate.

Dated: New York, New York
February 4, 2019

/s/ Michael H. Goldstein
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